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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	OAH No. 2017100446
)	
THE COMMISSIONER OF BUSINESS)	CFL PROPOSED LICENSE NO.: 60DBO-
OVERSIGHT,)	69059
)	
Complainant,)	SETTLEMENT AGREEMENT
)	
v.)	
)	
CASCOFI FUND I, LLC, JAMES RUDOLPH)	
CASTELLANOS, AND WILLIAM J.)	
“BOOTS” DEL BIAGGIO, III,)	
)	
Respondent.)	

This Settlement Agreement is entered into between Respondent William J. “Boots” Del Biaggio III (Del Biaggio III) and Complainant the Commissioner of Business Oversight (Commissioner) (hereinafter collectively referred to as the Parties), and is made with respect to the following facts:

RECITALS

A. The Department of Business Oversight (Department), through the Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and/or brokering pursuant to the California Financing Law (formerly known as the California Finance Lenders Law) (CFL) (Fin. Code § 22000 et seq.).

SETTLEMENT AGREEMENT

B. At all relevant times, Del Biaggio III has been employed by Casco Financial, Inc.; an affiliate of CASCOfi Fund I, LLC (CASCOfi).

C. CASCOfi is a limited liability company in good standing, duly formed and existing pursuant to the laws of the State of California. On or about March 17, 2017, CascoFi applied for a finance lender license with the Department.

D. On August 16, 2017, Del Biaggio III was personally served by the Commissioner with the following documents: (1) Notice of Intention to Issue Order Denying Finance Lender License Application and to Issue Orders Pursuant to Financial Code section 22169 (Bar From Employment, Management or Control of Any Finance Lender and/or Broker); (2) Statement of Issues/Accusation; (3) Statement to Respondent, (4) Government Code Section 11507, 11057.6, 11507.7 relating to discovery, and (5) Notice of Defense dated August 9, 2017 (Accusation).

E. Del Biaggio III has timely filed a Notice of Defense with the Commissioner regarding the Accusation and a trial has been scheduled before the Los Angeles Office of Administrative Hearings for April 10-11, 2018.

F. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing and/or other proceeding.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. This Settlement Agreement is entered into for the purpose of judicial economy and expediency, and to avoid the expense of a hearing, and possible further court proceedings.

2. Bar Order. Del Biaggio III hereby agrees to the immediate issuance by the Commissioner of an order barring Del Biaggio III from any position of employment, management or control of any finance lender, broker and/or mortgage loan originator. A copy of the bar order is attached and incorporated as Exhibit A.

1 3. Additional Restrictions. Del Biaggio III further agrees that he will not be employed
2 in any capacity by, nor shall he have any ownership interest in or engage in any business activity on
3 the premises of CASCOfi or any CASCOfi affiliate.

4 4. Waiver of Hearing Rights. Del Biaggio III acknowledges his right to an
5 administrative hearing under the CFL in connection with the Accusation and hereby waives that
6 right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant
7 to the CFL, the California Administrative Procedure Act, the California Code of Civil Procedure, or
8 any other provision of law in connection with this matter.

9 5. OAH Filing. The Parties hereby agree that within 5 business days of the effective
10 date of this Settlement Agreement, the Commissioner shall file this Settlement Agreement with the
11 Office of Administrative Hearings and request that the administrative hearing for OAH Case No.
12 2017100446, scheduled for April 10-11, 2018, be taken off the court's calendar.

13 6. Information Willfully Withheld. This Settlement Agreement may be revoked and the
14 Commissioner may pursue any and all remedies available under law against Del Biaggio III if the
15 Commissioner later discovers that Del Biaggio III knowingly or willfully withheld information used
16 for and relied upon in this Settlement Agreement.

17 7. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
18 successors in interest.

19 8. Third Party Actions. This Settlement Agreement does not create any private rights or
20 remedies against Del Biaggio III, create any liability for Del Biaggio or limit defenses of Del
21 Biaggio III for any person or entity not a party to this Settlement Agreement.

22 9. Full and Final Settlement. The parties hereby acknowledge and agree that this
23 Settlement Agreement is intended to constitute a full, final, and complete resolution of the
24 Accusation, and that no further proceedings or actions will be brought by the Commissioner in
25 connection with this matter under the CFL, or any other provision of law, excepting therefrom any
26 proceeding to enforce compliance with the terms of this Settlement Agreement.

27 10. Commissioner's Duties: The parties acknowledge and agree that nothing contained
28 in this Settlement Agreement shall operate to limit the Commissioner's ability to assist any other

1 agency, whether city, county, state or federal, with any prosecution, whether administrative, civil or
2 criminal, brought by any such agency against Del Biaggio III or any other person based upon any of
3 the activities alleged in this matter or otherwise.

4 11. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
5 has received independent advice from its attorney(s) and/or representatives with respect to the
6 advisability of executing this Settlement Agreement.

7 12. Reliance. Each of the parties represents, warrants, and agrees that in executing this
8 Settlement Agreement it has relied solely on the statements set forth herein and the advice of its own
9 counsel and/or representative. Each of the parties further represents, warrants, and agrees that in
10 executing this Settlement Agreement it has placed no reliance on any statement, representation, or
11 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
12 failure of any party or any other person or entity to make any statement, representation or disclosure
13 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any
14 party was in any way fraudulently induced to execute this Settlement Agreement, and (2) to preclude
15 the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
16 Settlement Agreement.

17 13. Full Integration. This Settlement Agreement is the final written expression and the
18 complete and exclusive statement of all the agreements, conditions, promises, representations, and
19 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
20 contemporaneous agreements, negotiations, representations, understandings, and discussions
21 between and among the parties, their respective representatives, and any other person or entity, with
22 respect to the subject matter covered hereby.

23 14. No Presumption from Drafting. In that the parties have had the opportunity to draft,
24 review and edit the language of this Settlement Agreement, no presumption for or against any party
25 arising out of drafting all or any part of this Settlement Agreement will be applied in any action
26 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the
27 benefit of Civil Code section 1654 and any successor or amended statute, providing that in cases of
28

1 uncertainty, language of a contract should be interpreted most strongly against the party who caused
2 the uncertainty to exist.

3 15. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
4 Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver,
5 amendment, or modification of this Settlement Agreement shall be valid or binding to any extent
6 unless it is in writing and signed by all of the parties affected by it.

7 16. Headings and Governing Law. The headings to the paragraphs of this Settlement
8 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the
9 construction or interpretation of the provisions hereof. This Settlement Agreement shall be
10 construed and enforced in accordance with and governed by California law.

11 17. Effective Date. This Settlement Agreement shall become effective when signed by
12 all parties and delivered via email to judy.hartley@dbo.ca.gov and diorlano@manatt.com.

13 18. Notice. Any notice required under this Settlement Agreement shall be addressed as
14 follows:

15 To Del Biaggio III: Diana I. Iorlano, Esq.
16 Manatt, Phelps & Phillips, LLP
17 11355 West Olympic Boulevard
18 Los Angeles, California 90064
diorlano@manatt.com

19 To the Commissioner: Judy L. Hartley, Esq.
20 Senior Counsel
21 Department of Business Oversight
22 320 W. 4th Street, Suite 750
Los Angeles, California 90013-2344
judy.hartley@dbo.ca.gov

23 19. Counterparts. The Parties agree that this Settlement Agreement may be executed in
24 one or more separate counterparts, each of which when so executed, shall be deemed an original.
25 Such counterparts shall together constitute and be one and the same instrument. A facsimile or
26 scanned signature shall be deemed the same as an original.

27 20. Public Record. Del Biaggio III acknowledges that this Settlement Agreement is a
28 public record.

21. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: 12/4/17 JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 11/30/17 WILLIAM J. “BOOTS” DEL BIAGGIO III

By _____
WILLIAM J. DEL BIAGGIO III

APPROVED AS TO FORM:

MANATT, PHELPS & PHILLIPS, LLP

By _____
DIANA I. IORLANO, ESQ. attorneys for
WILLIAM J. “BOOTS” DEL BIAGGIO III

Commissioner of Business Oversight

By _____
JUDY L. HARTLEY, ESQ.
Senior Counsel